
ELCO Management Co., LLC

Separately Managed Account

Wrap Fee Program Brochure

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This wrap fee program brochure provides information about the qualifications and business practices of ELCO Management Co., LLC (“ELCO” or “EMC”). If you have any questions about the contents of this brochure, please contact us at (212) 603-7582. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

ELCO is a registered investment adviser. Registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about ELCO is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The following changes have been made since this brochure was last filed on October 7, 2016:

EMC and one of its officers is now a registered representative with Bruderman Brothers, LLC. EMC has also entered into revenue-sharing and solicitor relationships with Bruderman Brothers. Please see disclosures under Items 4 and 9.

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Item 4 – Services, Fee and Compensation

EMC offers a separately managed account program, or wrap fee program, which includes the costs of brokerage commissions and certain other fees, including the account advisory fee, all of which is paid to EMC.

(a) Services

(i) EMC's separately managed account program is designed for individuals; pension and profit sharing plans; trusts, estates and charitable organizations; and corporations and other business entities.

(ii) Under EMC's separately managed account program, clients give EMC complete and sole investment discretion and authority to manage their accounts to the fullest extent permitted by law, including the purchase and sale of securities or other financial instruments, borrowing and lending securities and financial instruments and any other transactions in securities and financial instruments, including leverage, unless the client specifically directs otherwise, provided, however, that transactions in the account will be made in accordance with written investment objectives, policies and guidelines the client may provide from time to time.

(iii) Investments may include, without limitation, exchange-listed, over-the-counter, domestic and foreign equity securities; warrants; commercial paper and other corporate debt securities; certificates of deposit; municipal securities; mutual fund shares; US government securities; options on securities and investments in private funds.

(iv) EMC portfolio managers use a variety of methods of analysis, sources of information and investment strategies. Each EMC portfolio manager determines his or her investment strategy to seek to achieve the client's investment objective in accordance with applicable investment guidelines. These objectives may include, for example, capital preservation, total return, after-tax total return, current income, after-tax income, balanced, growth, growth and income or capital appreciation. Guidelines may focus investments on specific categories of investments – e.g., specific industries, capitalization, indexes or regions. Security analysis methods used by EMC portfolio managers may include charting and fundamental, technical or cyclical analysis. Sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by third parties, corporate rating services, timing services, filings with the Securities and Exchange Commission ("SEC"), corporate press releases, US government statistical reports and other information published by the US government. Portfolio managers may engage in a variety of types of transactions, such as short-term trading, short term purchases, long term purchases, short sales, margin transactions, option writing and borrowing, to implement their strategies.

(b) Fees and Compensation

(i) EMC's standard fee for wrap fee equity accounts is 1.50% annually. This fee is negotiable. EMC, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as account composition, anticipated future earning capacity, anticipated future additional assets, related accounts in the household, re-existing/legacy accounts, retention,

or employee-related or pro bono activities. For instance, if an account classified as an equity account has a significant exposure to fixed income securities, a reduced rate may be applied to the fixed income portion of the account. Depending on a client's circumstances, actual fees may be higher than, or discounted from, this standard fee or may be set at a flat amount, and there may be minimum fee requirements. Fees for other types of accounts – e.g., balanced or fixed income accounts – are individually negotiated and are generally less for fixed income accounts than for equity accounts. Each portfolio manager negotiates the exact fee for each of the portfolio manager's client accounts. EMC may allocate a portion of the advisory fee it receives to the portfolio managers. The client's account is charged fees quarterly in arrears, based on the value of the account (unless EMC and the client otherwise agree). The method of valuation for purposes of fee calculations will be set forth in the client's investment advisory agreement. The client may authorize EMC by separate memorandum to direct the custodian to deduct the advisory fees directly from the account and to pay such fees to EMC. In the case of any client who has not directed that fees be deducted from the account, such fees will be due and payable upon receipt of an invoice. If EMC's management of the account commences at any time other than the beginning of a calendar quarter or terminates at any time other than the end of a calendar quarter, the fee will be prorated on the number of days the Agreement was in force. Contracts with clients are generally terminable by clients upon notice to EMC and generally provide that termination is effective after a specified period after notice.

(ii) The fees described above (the "Separate Account Wrap Fees") generally include brokerage commissions, custodial costs, and nominal ticket charges and administrative or service fees. Clients may direct EMC to use a broker of the client's choice; however commissions would not be covered by the wrap fee and, as a result, your brokerage costs may be higher than those of a client using a broker/custodian that is part of EMC's wrap fee program. The Separate Account Wrap Fees do **not** include brokerage commissions for transactions executed through other broker-dealers as directed by the client; custodial costs other than EMC approved custodial costs; margin costs and costs associated with unsolicited short sales; mark-ups, mark-downs and spreads; wire transfer fees; US treasury auction fees; SEC fees in connection with trades; mutual fund distribution, shareholder servicing or administrative fees; IRA fees; extraordinary fees and other fees that EMC may disclose as excluded from time to time.

As EMC absorbs certain transaction costs in wrap fee accounts, it may have a financial incentive not to place transaction orders in those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement.

Because the Separate Account Wrap Fees encompass both advisory services and brokerage commissions, it is possible that the separately managed account program could cost more or less than separate charges for advisory services and brokerage commissions. For accounts that trade more frequently and/or in markets with relatively higher commissions, the Separate Account Wrap Fees may be less than if fees were charged separately. For accounts that trade less frequently and/or in markets with relatively lower commissions, the Separate Account Wrap Fees may cost more than if fees were charged separately.

EMC currently has a brokerage agreement with Schwab Advisor ServicesTM ("Schwab") for its wrap fee program and may enter into brokerage agreements with additional broker-dealers

in the future.

If EMC makes an investment in a non-affiliated mutual fund in your account, the non-affiliated mutual fund is not deducted from the overall market value of your assets included in the calculation of your advisory fee to EMC. As a result, you incur two separate advisory fees on those assets because the mutual fund also charges an advisory fee.

(c) Client Referrals. Our firm may pay referral fees to independent persons or firms (“Solicitation Agents”) for introducing clients to us. Whenever we pay a referral fee, we require the Solicitation Agent to provide the prospective client with this ADV Part 2A and a separate disclosure statement that includes the following information:

- The Solicitation Agent’s name and relationship with our firm;
- The fact that the Solicitation Agent is being paid a referral fee;
- The amount of the fee; and
- Whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitation Agent.

As noted in Item 9 of this brochure, affiliates of Bruderman Brothers, LLC may refer Fund investors and/or advisory clients to EMC for separate and typical compensation. This presents a conflict of interest in that EMC has an incentive to provide preferential treatment to investors and/or clients referred by clients. EMC has policies and procedures in place to prevent any investor or client from being favored over another.

Item 5 – Account Requirements and Types of Clients

ELCO Management Co. provides portfolio management services to individuals (including trusts, estates, 401(k) plans and IRAs), high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, corporations and other business entities, registered mutual funds and private investment funds.

Minimum Investment Requirements. EMC generally does not have a minimum investment requirement for separately managed accounts.

Item 6 – Portfolio Manager Selection and Evaluation

Each client selects the EMC portfolio manager that the client desires to manage the client’s account. Information with respect to the portfolio manager expected to manage your account is included in a separate supplement to this brochure. The client is not subject to any restrictions regarding contacting or consulting the portfolio manager. Any client-specific information that the client furnishes to EMC is regularly shared with the portfolio manager.

EMC may allocate a portion of its advisory fee to the portfolio manager. The amount allocated to the portfolio manager recommending the separately managed account program may be greater than it would have been if there were separate charges for advisory services and commissions so that the portfolio manager could have a financial incentive to recommend separately managed accounts subject to the standard fee.

Each EMC portfolio manager determines his or her investment strategy to seek to achieve the client's investment objective in accordance with applicable investment guidelines. We develop and act on ideas and strategies for creating value and building wealth while respecting any restrictions you might impose with respect to investing in particular securities or types of securities.

Accounts in this program may be managed by the portfolio managers in the same manner as accounts that are not part of the wrap fee program and have a different fee structure.

Reports; Performance Information. Clients typically receive transaction confirmations and quarterly reports of investment portfolios, as well as other reports as agreed with their portfolio managers. Performance information is provided to clients upon request or as agreed between the client and his or her portfolio manager from time to time. Performance information furnished to clients is generated by EMC's portfolio management system that is licensed from a third-party vendor.

Methods of Analysis, Investment Strategies and Risk of Loss

All accounts are individually managed. Securities selection is based on client objectives, risk tolerance and income requirements.

Investment Strategy

Our investment decisions are driven by the search for what we believe are the best in sector equities: those with an attractive business model, valuations and, where appropriate, dividend growth.

In fixed income investments, we take into account the quality of the issuer of the securities, duration, yield to maturity, the potential for ratings upgrade and refinancing, the industry outlook and we match the criteria with the client's preferences. We apply similar criteria to municipal bonds taking into account the quality of the credit and the borrower's ability to pay principal and interest.

The selection of securities will be based on the client's objectives, needs, assets and personal and family obligations and plans. Our portfolio managers will consider the asset mix and types of investments to help the client achieve his/her objectives. Attention will also be paid to the client's tax situation (for example, if the client is a tax-exempt entity) in determining whether to recommend tax-free securities and/or whether to recognize short or long-term gains and losses. Tax considerations, however, will not be the main reason for selection of securities and tax advice will not be given.

Methods of Analysis, Sources of Information & Investment Strategies

EMC portfolio managers use a variety of methods of analysis, sources of information and investment strategies. Each EMC portfolio manager determines his or her investment strategy to seek to achieve the client's investment objective in accordance with applicable investment guidelines. These objectives may include, for example, capital preservation, total return, after-tax total return, current income, after-tax income, balanced growth, growth, growth and income or capital appreciation. Guidelines may focus investments on specific categories of investments – e.g., specific industries, capitalization, indexes or regions. Security analysis methods used by EMC portfolio managers may include charting and fundamental, technical or cyclical analysis. Sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by third parties, corporate rating services, timing services, filings with the SEC, corporate press releases, US government statistical reports and other

information published by the US government. Portfolio managers may engage in a variety of types of transactions, such as short-term trading, short term purchases, long term purchases, short sales, margin transactions and option writing to implement their strategies.

We generally recommend the long-term purchase of securities. However, a security may be sold within a year or even a few days if the portfolio manager believes a gain could be realized sooner in order to prevent or limit a loss in case of adverse changes in the security's or market's outlook.

In some accounts, purchases of covered puts or covered calls on stocks may be made, but generally not for speculative purposes. Rather, they typically would be utilized to protect against a loss should the market be expected to decline or as a method of participating more fully in a possible market advance if the portfolio were not committed fully enough in equities. It is not expected that any purchase of these securities will be a significant strategy in an account. This type of activity is not expected to be a major part EMC's strategy.

Risks

Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is no guarantee of future results.

All investments are subject to the following principal risks:

The value of securities in the portfolio will go up and down. Consequently the overall valuation of the account may decline and you could lose money. The stock market is subject to significant fluctuations in value as a result of political, economic, and market developments. If the stock market declines in value, the portfolio is likely to decline in value. Because of changes in the financial condition or prospects of specific companies, the individual stocks selected by EMC may decline in value, causing the account to decline in value. Investments are not deposits in a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. EMC's investment approach may be out of favor at times, causing the strategy to underperform other strategies or funds that use different approaches to securities selection.

When EMC purchases equity securities primarily or exclusively in its investment strategies, clients are subject to the risk that stock prices will fall over short or extended periods of time, and clients could lose all, or a substantial portion, of the value of their investments. Historically, the equity markets have moved in cycles, and the value of equity securities may fluctuate significantly from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of these companies' securities may decline in response. These factors contribute to price volatility, which is a principal risk of equity investing. In addition, many of the equity securities purchased by EMC are common stocks. Common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of a liquidation.

EMC may invest in fixed income securities, typically bonds. The principal risks of investing in fixed income may include interest rate risk, credit risk, prepayment risk and price fluctuation.

Interest Rate Risk. Bonds may decline in value because of changes in interest rates. If interest rates rise, bond prices usually decline. If interest rates decline, bond prices usually increase. If a bond is not held until maturity, you may experience a gain or loss when you sell your bond.

Credit Risk. An issuer could default in the payment of principal and/or interest on a bond.

Prepayment Risk. Some bonds are subject to prepayment risk, or the risk that the issuer of a security will repay principal prior to the bond's maturity date, thereby changing the expected payment schedule of the bond.

Price Fluctuation. Most importantly, you should be aware that bond prices may fluctuate, as the securities are affected by economic and other factors. As a result, the value of your investment may increase or decrease.

Bonds held to maturity will return the full principal amount to the bondholder upon maturity. However, those sold prior to maturity are subject to gain or loss depending on the market price at the time of sale.

The investments made by EMC will generate taxable income and realized capital gains or losses, so investors should consult with their tax advisors about the tax consequences of their investments.

Certain of EMC's investment strategies may focus their investments from time to time on one or more economic sectors, such as the financial sector. To the extent that it does so, developments affecting companies in that sector or sectors will likely have a magnified effect on the strategies investment return. A strategy's concentration in securities of a particular sector may subject it to more volatile price movements than a securities portfolio diversified across multiple sectors.

Certain of EMC's investment strategies are more concentrated, which means that they may invest in the securities of fewer issuers than a more diversified investment strategy. As a result, such strategy may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, and may experience increased volatility.

Options Risks. Investments in covered call options involve certain risks. These risks include limited gains and lack of liquidity of the underlying stock. Investments in covered put options involve certain risks. These risks include the risk of loss if fair value of the underlying securities declines and limited gains. There is no guarantee that a liquid market for options will exist for any option or at any particular time. If we are unable to effect a closing purchase transaction with respect to covered options we have sold, we will not be able to sell the underlying securities or collateral until the options expire or are exercised. Similarly, if we are

unable to effect a closing sale transaction with respect to options we have purchased, we would have to exercise the options in order to realize any profit.

Risk of Margin Accounts. Margin exposes investors to the potential for higher losses. You can lose more money than you have invested; you may have to deposit additional cash or securities in your account on short notice to cover market losses; you may be forced to sell some or all of your securities when falling stock prices reduce the value of your securities; and your brokerage firm may sell some or all of your securities without consulting you to pay off the loan it made to you. EMC generally does not invest on margin.

Security analysis methods, including charting and fundamental, technical or cyclical analysis offer no guarantee of positive performance and are each subject to the risk that they could be misinterpreted.

Proxy Voting. EMC does not vote proxies on behalf of NFSMA clients, and does not have the discretionary authority to do so. Therefore, EMC and/or the client shall as required in each case instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Item 7 – Client Information Provided to Portfolio Managers

Any client-specific information that the client furnishes to EMC is regularly shared with the portfolio manager.

Item 8 – Client Contact with Portfolio Managers

The client is not subject to any restrictions regarding contacting or consulting the portfolio manager.

Item 9 – Additional Information

(a) Disciplinary Information.

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ELCO Management Co. or the integrity of ELCO Management Co.'s management. ELCO Management Co. has no information applicable to this Item.

(b) Other Financial Industry Activities and Affiliations.

ELCO Management Co. is investment advisor to the ELCO Fund, L.P. and the ELCO Select Fund, L.P.

Paul Elliot is a registered representative of Bruderman Brothers, LLC, a FINRA-member broker-dealer. This is a conflict of interest in that Mr. Elliot could be used by EMC to implement trades in client accounts or could be recommended to EMC's clients for investments outside of EMC's accounts. To address this conflict, neither Mr. Elliot nor Bruderman Brothers, LLC will be used to implement trades for EMC clients or recommended to EMC clients.

EMC shares office space with Bruderman Brothers, LLC and with Bruderman Asset Management, LLC, a registered investment adviser (together, "Bruderman"). EMC compensates Bruderman for office space and ancillary office services through a revenue sharing agreement subject to certain minimum monthly fees. EMC maintains its own server and EMC's client information not accessible by Bruderman.

EMC does not refer clients to Bruderman, however, the appropriate entities of Bruderman may refer investors and/or advisory clients to EMC for separate and typical compensation. This presents a conflict of interest in that EMC has an incentive to provide preferential treatment to investors and/or clients referred by clients. EMC has policies and procedures in place to prevent any investor or client from being favored over another.

EMC endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser and takes the following steps to address these conflicts:

- We disclose to clients the existence of all material conflicts of interest.
- We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- We require that our employees seek prior approval of any outside employment activity so that EMC may ensure that any conflicts of interests in such activities are properly addressed;
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by EMC; and
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

(c) Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

EMC has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the "Advisers Act"). The Code of Ethics provides standards of business conduct reflecting the fiduciary obligations of the supervised persons and requires that supervised persons comply with applicable securities laws. The Code of Ethics contains provisions designed to prevent access to material non-public information about securities recommendations and client securities holdings by persons that do not need such information to perform their duties. The Code of Ethics requires access persons to report all personal securities transactions and holdings on a periodic basis, to be reviewed by a compliance officer. All supervised persons at EMC must acknowledge the terms of the Code of Ethics annually, or as amended. EMC will provide a copy of the Code of Ethics to any client or prospective client upon request by calling (212) 262-3100.

EMC may, from time to time, recommend that certain clients purchase shares of a Fund

for which EMC serves as an investment adviser. Prior to the client's investment in the Fund, EMC will provide such client with the Fund's current prospectus, which discloses the nature of EMC's affiliation with the Fund and the fee which EMC receives as a result.

EMC employees may recommend that clients may invest in the funds described in "Other Financial Industry Activities and Affiliations" above, other private funds or similar products (which may or may not be affiliated with EMC or its employees). In connection with a client's investment in such a fund, the client will be provided with an offering document, which discloses the nature of EMC's and any portfolio manager's affiliation with the fund and any one- time or on-going solicitation, referral, servicing or other fees payable to EMC or the portfolio managers. A portion of such amounts may be paid to the portfolio manager. These payments create a conflict of interest for EMC and/or its portfolio managers and other employees. EMC routinely reviews the trades in the private funds that are not offered by EMC but are managed by EMC employees and compares them to trades in EMC accounts to determine whether EMC clients are receiving fair treatment.

In addition to client accounts, EMC manages money for the accounts of related persons. Officers and employees of EMC may, from time to time, purchase or sell securities that are recommended to clients. In order to avoid conflicts with trades for clients, EMC has adopted restrictions on personal securities trading by personnel of EMC, as discussed above. No supervised person with access to client transaction information may knowingly effect for themselves or for their immediate family (spouse, minor children, children, adults living in the same household) a transaction in that security unless: the transaction has been completed, the transaction for the supervised person is completed as part of a batch trade with clients, or a decision has been made not to engage in the transaction for a client. Because all accounts are individually managed, it is possible that a portfolio manager may be buying a security for some accounts while a different portfolio manager may simultaneously be selling the security for other accounts. **It is also possible that in rebalancing positions, the portfolio manager may buy a position for some accounts while selling in others.**

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with EMC's obligation of best execution. In such circumstances, the affiliated accounts will pay commission costs while client accounts in the wrap program will not, and all accounts receive securities at a total average price. EMC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Exceptions to this policy may be approved by the Chief Compliance Officer. Any exceptions will be explained on the Order.

These requirements are not applicable to US Government bonds, money market instruments, mutual fund shares, ETFs or closed end funds.

EMC's Insider Trading policy prohibits any director, officer or employee from personally trading on non-public information, including confidential client information. EMC's Compliance Manual and Code of Ethics require all employees to comply with the federal securities laws, protect material non-public information, and report to EMC's Chief Compliance Officer any code of ethics violations. Violations of EMC's Code of Ethics can result in serious sanctions, up to and including dismissal from employment.

EMC employees are prohibited from accepting gifts of greater than \$100.00 from business contacts. All gifts, regardless of their value, must be reported promptly to EMC's Chief Compliance Officer. Reasonable entertainment of employees is permitted if not conditioned on sales of shares of EMC products or services, and if it is neither so frequent nor so extensive as to

raise any question of propriety. EMC's Chief Compliance Officer actively monitors compliance with these policies.

EMC does not engage in principal transactions with its separately managed account clients – *i.e.*, it does not buy securities for its own account from, or sell securities from its own account to, its separately managed account clients.

(d) Review of Accounts

Each portfolio manager has primary responsibility for review of accounts that he or she manages. Therefore, the number of accounts assigned to each reviewer varies. Accounts are under continuous review to enable implementation of any changes in investment policy or in the fundamentals of a security held. Accounts are reviewed so that investments continue to meet client objectives.

The Chief Compliance Officer reviews client accounts for compliance with clients' investment objectives, guidelines or restrictions, if any, and the reasonableness of the portfolio composition in light of objectives/guidelines. The Chief Compliance Officer will consult with the Portfolio Manager if there are any questions or concerns resulting from their reviews. The Chief Compliance Officer reviews portfolio turnover in client accounts for appropriateness in consideration of all of the surrounding circumstances, including client investment objectives, cash flow into or out of the account, and market conditions. The Chief Compliance Officer monitors the performance of client accounts for potential issues, including but not limited to favoritism. The Chief Compliance Officer reviews performance dispersion among client accounts of each Portfolio Manager with the same investment objectives.

The Chief Compliance Officer is responsible for the review and approval of the opening of any new investment advisory account and the prompt review of any advisory client complaints.

EMC's Controller is responsible for reviewing the appropriate calculation of EMC's fees. The Controller calculates the fees due for each account at the beginning of each billing period, or as otherwise specified in the applicable client agreement, and sends the calculation to the Portfolio Managers of the respective accounts. Each Portfolio Manager is responsible for reviewing and approving the fee calculation for his or her client accounts.

Clients are furnished with scheduled reports of investment portfolios at least quarterly. Clients receive confirmation of transactions.

(e) Client Referrals and Other Compensation.

Our firm may pay referral fees to independent persons or firms ("Solicitation Agents") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitation Agent to provide the prospective client with this ADV Part 2A and a separate disclosure statement that includes the following information:

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- The Solicitation Agent's name and relationship with our firm;
 - The fact that the Solicitation Agent is being paid a referral fee;
 - The amount of the fee; and
 - Whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitation Agent.

(f) Financial Information. Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about ELCO Management Co.'s financial condition. ELCO Management Co. has no financial commitment that impairs its ability to meet its contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.

(g) Privacy Policy. EMC recognizes the importance of protecting the non-public personal information of its clients when providing advisory and other services. Please contact EMC or visit its website at www.elcomanagement.com for more information on, or for a copy of, its privacy policies. EMC does not sell or provide non-public personal information of its clients for marketing purposes to others.

(h) Other Benefits. EMC may receive without cost from Schwab computer software and related systems support, which allow EMC to better monitor client accounts maintained at Schwab. EMC may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The software and support is not provided in connection with securities transactions of clients (*i.e.*, not "soft dollars"). The software and related systems support may benefit EMC, but not its clients directly. In fulfilling its duties to its clients, EMC endeavors at all times to put the interest of its clients first. Clients should be aware, however, that EMC's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, EMC may receive the following benefits from Schwab: (1) up to \$60,000 in credits to be used toward third party providers and offset onboarding of client accounts; (2) receipt of duplicate client confirmations and bundled duplicate statements; (3) access to a trading desk that exclusively services its institutional traders; (4) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, and/or (5) access to an electronic communication network for client order entry and account information.
